

DATE: 04 November 2019

TO: Illinois Education Labor Relations Board
1 Natural Resources Way
Springfield, IL 62702

FROM: Board Negotiating Committee
Galena Unit School District No. 120
1206 N. Franklin Street
Galena, IL 61036

RE: Public Posting Notice

Dear Illinois Education Labor Relations Board,

What follows is the District's Public Posting Notice. At the heart of this notice is the District's desire to modify the current salary schedule for certified personnel. Herein is our narrative.

SALARY SCHEDULE

Since the beginning of fiscal year 1988 (FY 1988), the evolution of the salary schedule for certified personnel has taken on many changes; so many that it is the belief of the current administration and Board Negotiating Committee (three members of a seven-member board) that this schedule is unsustainable.

Several additions, deletions, modifications, and omissions to the salary schedule are highlighted here:

- FY 1989—A 4x4 salary schedule was adopted.
- FY 1989—A seventh column was added to the salary schedule.
- FY 1995—Language was deleted from the Collective Bargaining Agreement mandating that teachers take credit hours in their field of instruction.
- FY 1995—An eighth column was added to the salary schedule.
- FY 1996—A ninth column was added to the salary schedule.
- FY 2002—The creation of a schedule-within-a-schedule; one for certified personnel hired prior to 2001, and the other for certified personnel hired in 2001 and thereafter.
- FY 2007—A tenth column was added to the salary schedule.
- Additional rows were added to several columns in the salary schedule.
- Given the advent of online classes, the lack of foresight to limit the number of course credits allowed in a single year, resulting in teachers advancing as many as three columns from one fiscal year to another.

The evolution of the salary schedule has resulted in average annual salary increases that are, in our opinion, unsustainable. A small but factual sample is shared here: 17 contract renewals—7.24% average annual salary increases; 19 contract renewals—6.49% average annual salary increases; 9 contract renewals—8.26% average annual salary increases; 12 contract renewals—6.57% average annual salary increases. In all, we have calculated 642 contract renewals resulting in average annual salary increases of 5.97%.

These compounding causes have created the following truth—the difference between the highest and lowest salaries-plus-pensions in the FY 1988 salary schedule was \$12,266.00. This same difference in the FY 2019 salary schedule is \$42,734.09. As a result, Galena School District will have its first six-figure salary-plus-pension teachers in two years, with more to follow.

In recent years, there have been modifications to the salary schedule intended to slow teachers' advancement across the schedule, eliminate the options of teachers earning Master's Degrees in fields outside of their teaching assignments, and the ghosting of two columns, which prohibit certified staff members from entering

these columns, but keeping them for calculation purposes and resulting in two-column salary increases when applied (these ghosted columns are shown in the addendum in grey). However, it is the opinion of the Board Negotiating Committee that these modifications are examples of too little too late.

Addenda: A1 Salary schedule from FY 1988
A2 Salary schedule from FY 2019

SCATTERPLOT

Included as an addendum to this posting is a scatterplot showing where certified staff members are placed on the FY 2019 salary schedule. A glimpse of this scatterplot shows placements as being end-loaded. What the scatterplot fails to show is this—due to the rapid rate at which teachers were allowed to move horizontally across the salary schedule, many of the placements that you see at or near the bottom of the salary schedule will be there for approximately fifteen years or more.

Addendum: A3 Scatterplot for Teacher Placements during FY 2019

OPERATING FUNDS

Throughout any negotiations, certified personnel have the luxury of focusing solely on salaries and benefits. The district has no such luxury. As you are aware, there are nine columns in a school district's budget. Four of these columns are called the operating funds; they are education, operations and maintenance, transportation, and working cash.

It is incumbent upon every school board to maintain a balance in their operating funds. This balance does not imply that these funds maintain equal dollar amounts; rather, that they are self-sustaining. In our view, the aforementioned salary schedule has contributed significantly to an imbalance in the District's operating funds, as explained here.

The District's last health/life safety study was completed in December 2011. Since that time, there have been follow-up facilities assessment studies in August 2013 and September 2016. An updated health/life safety study is in process and should be completed within weeks of this submission.

From the most recent facilities assessment in September 2016 and accounting for projects that have been completed since then, the District currently has facilities updates in excess of \$11 million. The original building portion of our high school has its original single-pane windows from 1956. Our middle school has a 39-year-old temporary wall and windows that span the entire length of our commons area. Our primary school, built in the early 1970s with its open floor plan design and absence of walls and doors, has been left vulnerable to the challenges of today.

Of course, none of these challenges is the fault of the existing salary schedule; however, the financial commitment needed to sustain the schedule makes it difficult to maintain our facilities. To demonstrate, we offer this—by enrollment, Galena is the largest district in Jo Daviess County, followed by East Dubuque Unit School District No. 119.

In a ten-year span, from FY 2007–FY 2016, Galena USD No. 120 spent more than \$39.0 million more than its closest demographic comparison. Some might argue that Galena, having a larger enrollment (ten-year average of 825 students), should spend more than East Dubuque (ten-year average of 697 students); therefore, an enrollment multiplier was calculated and applied. The result—in the aforementioned ten-year span and after the application of an enrollment multiplier, Galena USD No. 120 spent more than \$26.1 million more than its closest demographic comparison.

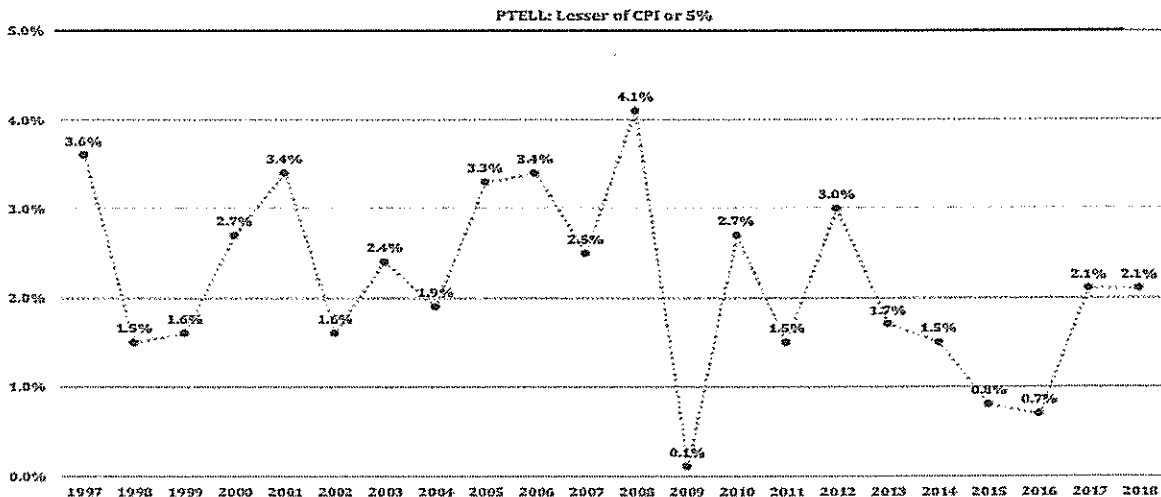
LOCAL FUNDING VIA PROPERTY TAXES

Straight to the point, Galena USD No. 120 is the wealthiest district in the county. The largest source of revenue for school districts in Illinois comes from property taxes. In this fiscal year alone, the six districts in Jo Daviess County will receive the following property tax extensions (in millions of dollars): Warren \$3.7 million; Scales Mound \$4.3 million; Stockton \$4.6 million; East Dubuque \$4.7 million; River Ridge \$6.7 million; and Galena \$10.4 million. This figure for Galena Schools was \$10.1 million last year and will likely be in the range of \$10.7 million next year.

PROPERTY TAX EXTENSION LIMITATION LAW

Local funding for Illinois taxing bodies comes primarily from property taxes, which are calculated using the equalized assessed valuation (EAV) of property within the taxing boundaries.

In 1997, the residents of Jo Daviess County voted to institute a property tax cap, officially known as the Property Tax Extension Limitation Law (PTELL). Through PTELL, tax increases on existing property are capped by the lesser of 5% or the Consumer Price Index (CPI). As shown in the graph, the CPI has not exceeded 5% since the implementation of PTELL in 1997.



To be fair, the graph only tells part of the story. Yes, it portrays the tax-cap on existing property, but it does not communicate the actual amount of tax dollars received before and after the application of the cap.

STATE FUNDING FOR SCHOOL DISTRICTS

Beginning with the 2018-19 school year, the Illinois State Board of Education changed the way they fund schools. Moving away from the system called General State Aid, the State now employs an Evidence-Based Funding Model (EBM).

The objective of the EBM model is to ensure all schools are funded at 100%, also known as the Adequacy Target. Under the premise that schools receive approximately 10% of their funding from the federal government, all other sources of revenue should account for the remaining 90%, which is known as the Local Capacity Target (LCT).

A review of the more than 800 school districts in Illinois revealed the obvious; that is, many districts fall below the LCT, whereas others exceed the LCT. Schools above and below the LCT are divided into two tiers each.

The tier to which a district belongs is significant. When the General Assembly appropriates new dollars into the EBM, schools in tier 1 will share 50%, tier 2=49%, tier 3=0.9%, and tier 4=0.1% of the new revenue.

The variables to identify a district's tier placement are re-applied every two years, with the expectation that districts below the LCT will move toward the Adequacy Target. The LCT for Galena Schools for the 2018-19 and 2019-20 school years is 107%, making us a tier 4 district. As a result of this designation, Galena Schools share 0.1% of new dollars with other tier 4 districts. Put into context, the new dollars in state funding for Galena USD No. 120 in FY 2020 is \$896.69.

REFERENDA

Being well aware of its failing facilities for more than a decade, Galena USD No. 120 convened a Citizens' Advisory Committee, which held its maiden meeting on 29 January 2007. Following years of meetings, studies, and conversations, the decision was made to place a referendum for facilities on the spring 2012 ballot in the amount up to \$24 million; this referendum failed 2411-882.

In the spring of 2016, a second referendum for facilities was placed on the ballot. The asking amount (\$15.7 million) was considerably less than in 2012, primarily because the budgetary assumptions used in the District's calculations were extremely aggressive and, quite possibly, unlikely to come to fruition over the span of twenty years. This referendum failed 1528-1197.

Not to be discouraged, a third referendum for facilities was placed on the ballot in the spring of 2017. The budgetary assumptions were more conservative, resulting in a referendum request for \$21.8 million. This referendum failed 1279-847.

COST SUMMARY FOR SALARIES AND SALARY-DEPENDENT VARIABLES

The cost summary of the salaries and the salary-dependent variables, as shown in the table below, are understated (emphasis added), as we have no way of knowing which teachers will elect to take coursework which moves them horizontally across the salary schedule.

For calculation purposes, teachers who have committed to retiring in a specified year have had their salaries replaced by a fictitious MA+5, 5-year teacher.

Lastly, these figures reflect the calculations for salaries and salary-dependent variables only, created using fictitious employees for six positions and without moving teachers horizontally across the salary schedule. These figures do not include other benefit information, such as health, dental, and life insurance costs, and supplemental stipend increases.

5-Year Cost Summary

Fiscal Year	2019	2020	2021	2022	2023	2024
Salaries	4,764,128.57	4,927,235.15	5,038,182.89	5,119,586.61	5,064,724.98	5,049,073.19
ETHIS	43,829.98	45,330.56	46,351.28	47,100.20	46,595.47	46,451.47
TRS-NEC	27,631.95	28,577.96	29,221.46	29,693.60	29,375.40	29,284.62
Medicare	69,079.86	71,444.91	73,053.65	74,234.01	73,438.51	73,211.56
Total	4,904,670.36	5,072,588.59	5,186,809.28	5,270,614.42	5,214,134.36	5,198,020.85
Annual Increase		167,918.23	114,220.69	83,805.14	(56,480.05)	(16,113.51)

Please note that the numbers in the 5-year cost summary are for teachers only; not included are four administrators, four secretaries, one bookkeeper, twenty-four paraprofessionals, six custodians, seven food service employees, one technology director, one transportation director, and eight bus drivers.

SUMMARY

When circumstances take on this kind of magnitude, there is never a single event to which one can point the finger. On the contrary, there are layers upon layers of multi-faceted elements, many of which span decades of decision-making, external factors, and Father Time.

The reality for Galena Unit School District No. 120 is this—failing facilities requiring more than \$11 million in repairs and updates; stagnant increases in state funding; PTELL-caps in local funding; three failed referenda; and a salary schedule that offers average annual salary increases in percentages disproportionate to revenue streams.

As with all school districts, we are in the people business, making salaries and benefits our largest expenditures. The Board Negotiating Committee has proposed changes to the salary schedule in this negotiation cycle, choosing to bypass generous insurance packages, tuition reimbursements amounts, and more.

GALENA UNIT DISTRICT #120

1987-88 SALARY SCHEDULE

A1

EXP	BA	BA + 10	BA + 20	BA + 30	MA	MA + 10
0	15350.00 (14121.99)	15964.00 (14686.87)	16578.00 (15251.75)	16885.00 (15534.19)	17192.00 (15816.62)	17806.00 (16381.50)
1	15964.00 (14686.87)	16578.00 (15251.75)	17192.00 (15816.62)	17499.00 (16099.06)	17806.00 (16381.50)	18420.00 (16946.38)
2	16578.00 (15251.75)	17192.00 (15816.62)	17806.00 (16381.50)	18113.00 (16663.94)	18420.00 (16946.38)	19034.00 (17511.26)
3	17192.00 (15816.62)	17806.00 (16381.50)	18420.00 (16946.38)	18727.00 (17228.82)	19034.00 (17511.26)	19648.00 (18076.14)
4	17806.00 (16381.50)	18420.00 (16946.38)	19034.00 (17511.26)	19341.00 (17793.70)	19648.00 (18076.14)	20262.00 (18641.02)
5	18420.00 (16946.38)	19034.00 (17511.26)	19648.00 (18076.14)	19955.00 (18358.58)	20262.00 (18641.02)	20876.00 (19205.90)
6	19034.00 (17511.26)	19648.00 (18076.14)	20262.00 (18641.02)	20569.00 (18923.46)	20876.00 (19205.90)	21490.00 (19770.78)
7	19648.00 (18076.14)	20262.00 (18641.02)	20876.00 (19205.90)	21183.00 (19488.34)	21490.00 (19770.78)	22104.00 (20335.66)
8	20262.00 (18641.02)	20876.00 (19205.90)	21490.00 (19770.78)	21797.00 (20053.22)	22104.00 (20335.66)	22718.00 (20900.54)
9	20876.00 (19205.90)	21490.00 (19770.78)	22104.00 (20335.66)	22411.00 (20618.10)	22718.00 (20900.54)	23332.00 (21465.42)
10	21490.00 (19770.78)	22104.00 (20335.66)	22718.00 (20900.54)	23025.00 (21182.98)	23332.00 (21465.42)	23946.00 (22030.30)
11		22718.00 (20900.54)	23332.00 (21465.42)	23639.00 (21747.86)	23946.00 (22030.30)	24560.00 (22595.18)
12			23946.00 (22030.30)	24253.00 (22312.74)	24560.00 (22595.18)	25174.00 (23160.06)
13				24867.00 (22877.62)	25174.00 (23160.06)	25788.00 (23724.94)
14					25788.00 (23724.94)	26402.00 (24289.82)
15					26402.00 (24289.82)	27016.00 (24854.70)
				20	26702.00 (24565.82)	27316.00 (25130.70)
				25	27002.00 (24841.82)	27616.00 (25406.70)

Includes 8% Retirement

() Salary in parenthesis is less 8% retirement

APPENDIX A

SALARY SCHEDULE FOR 2018-19

SALARY SCHEDULE

2018-19

Percentage of increase over the previous year's base salary: 3.00%

Index multiplier per step and per lane: 4.00%

Member-paid TRS contribution: 9.00%

Yrs. Exp.	Hired:	1	2	3	4	5	6	7	8	9	10
	Prior to 2001	BA	BA+12	BA+24	BA+36	BA+60	MA	MA+12	MA+24	MA+36	MA+48
	2001 or After	BA	BA+12	BA+24	BA+36	MA	MA+12	MA+24	MA+36	MA+48	MA+60
0	Salary	41,090.47	42,734.09	44,377.71	46,021.33	47,664.95	49,308.56	50,952.18	52,595.80		
	Salary less TRS	37,392.33	38,888.02	40,383.71	41,879.41	43,375.10	44,870.79	46,366.49	47,862.18		
1	Salary	42,734.09	44,377.71	46,021.33	47,664.95	49,308.56	50,952.18	52,595.80	54,239.42		
	Salary less TRS	38,888.02	40,383.71	41,879.41	43,375.10	44,870.79	46,366.49	47,862.18	49,357.87		
2	Salary	44,377.71	46,021.33	47,664.95	49,308.56	50,952.18	52,595.80	54,239.42	55,883.04		
	Salary less TRS	40,383.71	41,879.41	43,375.10	44,870.79	46,366.49	47,862.18	49,357.87	50,853.57		
3	Salary	46,021.33	47,664.95	49,308.56	50,952.18	52,595.80	54,239.42	55,883.04	57,526.66		
	Salary less TRS	41,879.41	43,375.10	44,870.79	46,366.49	47,862.18	49,357.87	50,853.57	52,349.26		
4	Salary	47,664.95	49,308.56	50,952.18	52,595.80	54,239.42	55,883.04	57,526.66	59,170.28		
	Salary less TRS	43,375.10	44,870.79	46,366.49	47,862.18	49,357.87	50,853.57	52,349.26	53,844.95		
5	Salary	49,308.56	50,952.18	52,595.80	54,239.42	55,883.04	57,526.66	59,170.28	60,813.90		
	Salary less TRS	44,870.79	46,366.49	47,862.18	49,357.87	50,853.57	52,349.26	53,844.95	55,340.64		
6	Salary	50,952.18	52,595.80	54,239.42	55,883.04	57,526.66	59,170.28	60,813.90	62,457.51		
	Salary less TRS	46,366.49	47,862.18	49,357.87	50,853.57	52,349.26	53,844.95	55,340.64	56,836.34		
7	Salary	52,595.80	54,239.42	55,883.04	57,526.66	59,170.28	60,813.90	62,457.51	64,101.13		
	Salary less TRS	47,862.18	49,357.87	50,853.57	52,349.26	53,844.95	55,340.64	56,836.34	58,332.03		
8	Salary	54,239.42	55,883.04	57,526.66	59,170.28	60,813.90	62,457.51	64,101.13	65,744.75		
	Salary less TRS	49,357.87	50,853.57	52,349.26	53,844.95	55,340.64	56,836.34	58,332.03	59,827.72		
9	Salary	55,883.04	57,526.66	59,170.28	60,813.90	62,457.51	64,101.13	65,744.75	67,388.37	69,031.99	
	Salary less TRS	50,853.57	52,349.26	53,844.95	55,340.64	56,836.34	58,332.03	59,827.72	61,323.42	62,819.11	
10	Salary	57,526.66	59,170.28	60,813.90	62,457.51	64,101.13	65,744.75	67,388.37	69,031.99	70,675.61	
	Salary less TRS	52,349.26	53,844.95	55,340.64	56,836.34	58,332.03	59,827.72	61,323.42	62,819.11	64,314.80	
11	Salary	59,170.28	60,813.90	62,457.51	64,101.13	65,744.75	67,388.37	69,031.99	70,675.61	72,319.23	
	Salary less TRS	53,844.95	55,340.64	56,836.34	58,332.03	59,827.72	61,323.42	62,819.11	64,314.80	65,810.50	
12	Salary	62,457.51	64,101.13	65,744.75	67,388.37	69,031.99	70,675.61	72,319.23	73,962.85	75,606.46	
	Salary less TRS	56,836.34	58,332.03	59,827.72	61,323.42	62,819.11	64,314.80	65,810.50	67,306.19	68,801.88	
13	Salary		65,744.75	67,388.37	69,031.99	70,675.61	72,319.23	73,962.85	75,606.46	77,250.08	
	Salary less TRS		59,827.72	61,323.42	62,819.11	64,314.80	65,810.50	67,306.19	68,801.88	70,297.58	
14	Salary			69,031.99	70,675.61	72,319.23	73,962.85	75,606.46	77,250.08	78,893.70	80,537.32
	Salary less TRS			62,819.11	64,314.80	65,810.50	67,306.19	68,801.88	70,297.58	71,793.27	73,288.96
15	Salary				72,319.23	73,962.85	75,606.46	77,250.08	78,893.70	80,537.32	82,180.94
	Salary less TRS				65,810.50	67,306.19	68,801.88	70,297.58	71,793.27	73,288.96	74,784.66
20	Salary					73,962.85	75,606.46	77,250.08	78,893.70	80,537.32	82,180.94
	Salary less TRS					67,306.19	68,801.88	70,297.58	71,793.27	73,288.96	74,784.66
25	Salary						75,606.46	77,250.08	78,893.70	80,537.32	82,180.94
	Salary less TRS						68,801.88	70,297.58	71,793.27	73,288.96	74,784.66

SALARY SCHEDULE

2018-19

SCATTERGRAM

Percentage of increase over the prev	3.00%
Index multiplier per step a	4.00%
Member-paid TRS cont	9.00%

Yrs. Exp.	Hired:	1	2	3	4	5	6	7	8	9	10
	Prior to 2001	BA	BA+12	BA+24	BA+36	BA+60	MA	MA+12	MA+24	MA+36	MA+48
	2001 or After	BA	BA+12	BA+24	BA+36	MA	MA+12	MA+24	MA+36	MA+48	MA+60
0		T T T T									
1		T T				T					
2		T									
3		T T	T T			T					
4						T					
5						T T T					
6		T			T	T	T	T	T		
7						T		T			
8					T	T	T				
9		T	T			T	T T	T		T	
10			T				T			T	
11						T				T	
12			T				T T	T	T	T	
13							T	T			
14					T T	T	T				
15-19						T T	T		T T	T T T	T
20-24						T	T	T	T T	T	
25+						T T	T			T	T T T

Article 6: WAGES AND SALARIES

Section 6.1 Salary Schedule

Maintenance of a 4x4 salary schedule with the following modifications:

1. 0.25% increase in base pay for each in this five-year contract.
2. Elimination of the two current ghost columns for calculation purposes, yielding the following column structure with modifications:

Current Column Structure

Hired	1	2	3	4	5	6	7	8	9	10
<2001	BA	BA+12	BA+24	BA+36	BA+60	MA	MA+1 2	MA+2 4	MA+3 6	MA+4 8
>=2001	BA	BA+12	BA+24	BA+36	MA	MA+1 2	MA+2 4	MA+3 6	MA+4 8	MA+6 0

Proposed Column Structure:

Hired	1	2	3	4	5	6	7	8
<2001	BA	BA+12	BA+24	BA+36	MA	MA+12	MA+24	MA+36
>=2001	BA	BA+12	BA+24	MA	MA+12	MA+24	MA+36	MA+48

3. Regarding vertical movement – there will be no double-jumps when vertical movement is reinstated beginning with the 2019-2020 school year.
4. Regarding horizontal movement:
 - 4.1 There will be no double-jumps when horizontal movement is reinstated beginning with the 2019-2020 school year.
 - 4.2 Salary increases will be calculated per the 4x4 schedule for advancement across columns 1-4.
 - 4.3 One-time stipends of \$1700 – rather than a salary increases – will be awarded for advancement across columns 5,7,8 because column 6 is ghosted in the proposed column structure.
 - 4.4 Any teacher who is in-progress with a previously approved advanced degree program will have his/her salary adjusted consistent with the FY19 contract.